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Macroeconomic policy questions

Thailand:* draft resolution

Promotion of international cooperation to curb and recover illicit financial flows

The General Assembly,

Reiterating its deep concern about the impact of illicit financial flows on the economic, social and political stability and development of societies,

Reaffirming its resolution 70/1 of 25 September 2015, entitled "Transforming our world: the 2030 Agenda for Sustainable Development", in which it adopted a comprehensive, far-reaching and people-centred set of universal and transformative Sustainable Development Goals and targets, its commitment to working tirelessly for the full implementation of the Agenda by 2030, its recognition that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development, its commitment to achieving sustainable development in its three dimensions — economic, social and environmental — in a balanced and integrated manner, and to building upon the achievements of the Millennium Development Goals and seeking to address their unfinished business,

Reaffirming also its resolution 69/313 of 27 July 2015 on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which is an integral part of the 2030 Agenda for Sustainable Development, supports and complements it, helps to contextualize its means of implementation targets with concrete policies and actions, and reaffirms the strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity,

* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

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Reaffirming that the goal of poverty eradication in all its forms and dimensions, including extreme poverty, addressing inequality within and among States and giving practical effect to the attainment of the 2030 Agenda for Sustainable Development, requires global cooperation in curbing illicit financial flows,

Reiterating the commitments undertaken in the Addis Ababa Action Agenda to redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them, including by combating tax evasion, illegal capital flight and corruption through strengthened national regulation and increased international cooperation by taking appropriate actions outlined in paragraphs 23 and 24 of the Addis Ababa Action Agenda,

Convinced that a comprehensive and multidisciplinary approach is required to prevent and combat corruption effectively, and recognizing the need for closer coordination and cooperation among Member States and other relevant entities in this regard,

Recalling its resolution 60/207 of 22 December 2005 on preventing and combating corrupt practices and transfer of assets of illicit origin and returning such assets, in particular to the countries of origin, consistent with the United Nations Convention against Corruption,

Recalling also its resolution 69/199 of 18 December 2014 on preventing and combating corrupt practices and the transfer of proceeds of corruption, facilitating asset recovery and returning such assets to legitimate owners, in particular to countries of origin, in accordance with the United Nations Convention against Corruption,

Recalling further that the return of stolen and illicit assets is a fundamental principle of the United Nations Convention against Corruption,[1] obligating States parties thereto to afford one another the widest measure of cooperation and assistance in that regard,

Reiterating that corruption, in particular the illicit acquisition and transfer of wealth, poses a serious challenge to the stability and security of States, undermines institutions, ethical values and justice, and jeopardizes the drive towards sustainable development and the rule of law as well as denial of the enjoyment of the human rights of citizens,

Noting with concern the steady increase in the illicit flow of funds, particularly from developing countries, and the negative impact it poses with respect to the realization of the Sustainable Development Goals, the rule of law and the security of nations,

Recalling the Doha Declaration on Integrating Crime Prevention and Criminal Justice into the Wider United Nations Agenda to Address Social and Economic Challenges and to Promote the Rule of Law at the National and International Levels, and Public Participation,[2] with regard to implementing effective measures to detect, prevent and counter corruption, as well as the illicit transfer abroad and

[1] United Nations, *Treaty Series*, vol. 2349, No. 42146.
[2] Resolution 70/174, annex.

laundering of assets derived from corruption, and strengthening international cooperation and assistance to Member States to assist in the identification, freezing or seizure of such assets, as well as in their recovery and return,

Recalling also the Doha Declaration with regard to the need to continue discussing innovative modalities to improve mutual legal assistance in order to speed up asset recovery proceedings and render them more successful,

Recalling further resolution 5/3 of 29 November 2013 of the Conference of the States Parties to the United Nations Convention against Corruption, entitled "Facilitating international cooperation in asset recovery", and restating the intent of the Convention in ensuring the spontaneous sharing of information and the speedy return of illicit assets to countries of origin and establishing practical guidelines to facilitate the recovery of assets,

Welcoming the report of the High-level Panel on Illicit Financial Flows from Africa, and inviting other regions to carry out similar exercises,

Welcoming also the cooperation and assistance that some Member States have afforded to requesting States in the recovery and restoration of illicit assets,

Acknowledging the efforts of relevant international institutions, such as the United Nations Conference on Trade and Development, in addressing illicit financial flows, including trade misinvoicing and transfer mispricing, which hamper the mobilization of domestic resources for development,

Recognizing that States continue to face challenges in the recovery of assets owing to, inter alia, differences in legal systems, the complexity of multijurisdictional investigation and prosecution, divergent interpretations of the provisions of the Convention, lack of familiarity with the mutual legal assistance procedures of other States parties and difficulties in identifying and exposing the flow of the proceeds of corruption,

Concerned that a large proportion of the proceeds of corruption, including those emanating from transnational bribery-related cases, have yet to be returned to the countries of origin,

Noting with appreciation the ongoing efforts by regional organizations and other relevant international forums to strengthen cooperation in combating corruption, which aim, inter alia, to ensure openness and transparency, combat domestic and foreign bribery, tackle corruption in high-risk sectors, strengthen international cooperation and promote public integrity and transparency in the fight against corruption, which fuels illicit trade and insecurity and is a tremendous barrier to economic growth and the safety of citizens,

Noting with appreciation also the role of the Group of 20 in anti-corruption efforts at both the global and national levels, the adoption by the Group of its High-level Principles on Cooperation on Persons Sought for Corruption and Asset Recovery and its Anti-Corruption Action Plan 2017-2018, as well as the establishment of a Research Centre on International Cooperation Regarding Persons Sought for Corruption and Asset Recovery in Group of 20 Member States, and urges the Group to continue to engage other States Members of the United Nations in its

work to ensure that its initiatives complement and strengthen the multilateral United Nations system,

Noting the emerging trend of the use of settlements and other alternative legal mechanisms to conclude transnational bribery-related cases, while observing that the new mechanisms which have enhanced enforcement actions in some corruption cases worldwide are posing challenges to the process of international cooperation in asset recovery,

Noting with concern the fact that only a small percentage of the amount realized through settlements worldwide has been returned to the requesting States in cases of the embezzlement or laundering of public funds, thus eroding the right of citizens of the affected States to restoration,

Calling for urgent attention to the fact that a study by the Stolen Asset Recovery Initiative has indicated that, of the more than 6.2 billion United States dollars realized so far through settlements worldwide, not more than 3 per cent has been returned to States whose officials were bribed and where corrupt transactions took place, which is a key aim of chapter V of the Convention,

Requesting all Member States to recover the proceeds of corruption and demonstrate strong commitment to ensuring the return of such proceeds to the countries of origin,

1. *Urges* all Member States to scale up the level of cooperation to curb illicit financial flows and recover the proceeds of crime, including embezzled public funds, stolen assets and unaccounted-for assets that are found in safe havens, and to demonstrate strong commitment to ensuring the return of such assets to the countries of origin;

2. *Urges* the international community to enhance its support for the efforts of Member States to develop and strengthen capacities in various areas, inter alia, their national tax authorities, legal and regulatory institutions, businesses and financial institutions, and for increased public awareness to enhance accountability mechanisms and help to combat illicit financial flows;

3. *Urges* Member States to ensure that procedures for international cooperation allow for the seizure and restraint of assets for a time period sufficient to preserve those assets in full, pending proceedings in another State, and to allow or expand cooperation in the enforcement of foreign confiscation judgments, including through awareness-raising for judicial authorities;

4. *Also urges* Member States to:

(a) Reaffirm their commitment to deter, detect, prevent and counter in a more effective manner illicit financial flows and the international transfer of the proceeds of crime;

(b) Take measures to ensure compliance by financial and designated non-financial institutions to track, stop, recover and return the proceeds of illicit financial flows;

5. *Calls upon* Member States to give particular and timely consideration to the execution of requests for mutual legal assistance in asset recovery;

6. *Encourages* Member States, where appropriate and in accordance with national laws, to incorporate the Lausanne practical guidelines for efficient asset recovery into their practice in the area of asset recovery and to continue to exchange their practical experiences and consolidate them in a step-by-step guide or asset recovery manual in cooperation with interested States and providers of technical assistance;

7. *Calls upon* Member States to consider the possibility of waiving or reducing to the barest minimum the processes and costs of the recovery of assets, in particular by reducing the administrative and legal bottlenecks in the recovery of illicit assets;

8. *Urges* Member States that are using settlement and other alternative legal mechanisms to resolve corruption-related cases, including cases of transnational bribery, to proactively share information without prior request so as to engage all the States parties concerned early in the process, in accordance with article 46, paragraph 4, article 48, paragraph 1 (f), and article 56 of the United Nations Convention against Corruption,[1] so as to enhance international cooperation, information-sharing and recovery of the proceeds of crime;

9. *Stresses* that the interpretation of the proceeds of crime in settlement and other alternative legal mechanisms should include disgorgement of profits and fines, as these will allow such proceeds to be returned to the States of origin and, by so doing, avoid using settlements to create an artificial category of victims of corruption, thereby reducing the potency of asset recovery efforts;

10. *Calls for* closer and more active collaboration between interested States and the United Nations system, including international financial institutions, the United Nations Office on Drugs and Crime and the United Nations Conference on Trade and Development, in accordance with their respective mandates, in identifying commendable practices in effective and coordinated approaches to asset recovery, including those related to illicit financial flows;

11. *Also calls for* collaboration between relevant international and regional organizations and institutions and Member States to curb illicit financial flows;

12. *Requests* the Secretary-General to report to the General Assembly at its seventy-third session on the progress made in the implementation of the present resolution, under the item entitled "Macroeconomic policy questions" of the provisional agenda of its seventy-third session.